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SECOND COMMITTEE
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held on
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at 10 a.m.
New York

SUMMARY RECORD OF THE 28th MEETING

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| Chairman: | Mr. PIRIZ-BALLON | (Uruguay) |
| later: | Mr. GUERRERO (Vice-Chairman) | (Philippines) |
| later: | Mr. PIRIZ-BALLON (Chairman) | (Uruguay) |

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The meeting was called to order at 10.30 a.m.

AGENDA ITEM 86: INTERNATIONAL CONFERENCE ON THE FINANCING OF DEVELOPMENT (A/47/232-S/24025 and Corr.1, A/47/499, A/47/575, A/C.2/47/L.3)

1. Mr. OSSA (Director, Development Policy and Analysis Division, Department of Economic and Social Development), presenting the report of the Secretary-General on the international conference on the financing of development (A/47/575), recalled that, pursuant to General Assembly resolution 46/205, the document had been prepared following consultations and technical discussions with the Bretton Woods institutions and various regional development banks. The Secretariat had also taken into account the important deliberations that had been held on the matter in several forums, such as the eighth session of the United Nations Conference on Trade and Development, the United Nations Conference on Environment and Development and the Development Committee.

2. During the summer session of the Economic and Social Council in 1991, when consideration had first been given to convening a conference, concerns had been expressed that a global shortage of savings was looming, and that international interest rates would as a result rise substantially, exacerbating the problems being faced by developing countries in servicing their external debts and in raising additional funds on international capital markets. There was also concern that, despite commitments to the contrary, official assistance flows to developing countries might suffer as the world's major donors increasingly turned their attention to the needs of countries whose economies were in transition. On the other hand, there seemed to be new opportunities to redirect public resources to development and away from military expenditures, by virtue of the passing of the cold war. In addition, it appeared that the Uruguay Round would soon lead to a general reduction in agricultural and other subsidies, freeing substantial public resources. However, instead of a savings shortage there had been a spending shortage. Accordingly, the Department of Economic and Social Development had asked the major industrialized countries to take measures to accelerate economic growth, while ensuring that it remained sustainable.

3. In the previous two years some developing countries had returned to financial markets, and capital-importing countries had begun to enjoy a net inflow of financial resources for the first time since the onset of the debt crisis in the early 1980s.

4. It was probable, however, that the industrial countries would resume growth in the medium term, and that financial markets might become tighter, making it more difficult for developing countries to mobilize adequate external resources. However, it was certain that the current supply of official concessional resources was inadequate. The developing countries must be assisted in their efforts to eradicate poverty, and countries whose economies were in transition must be assisted to rebuild and enhance their human and physical infrastructure. It was for those reasons that, in his

report, the Secretary-General had called on donor countries to strengthen their aid programmes. The developing countries and countries whose economies were in transition must also be helped in their development efforts and economic reform by redirecting some funds freed by the reduction in military expenditure and agricultural subsidies.

5. While there had been some progress in reducing those expenditures, there were certain very disturbing trends. It was disquieting to note that several countries were seeking to protect domestic jobs by exporting sophisticated weapons. That was not the way to enhance human development. It also seemed that the Uruguay Round was threatened by the deadlock on agricultural subsidies. The solution to the loss of a competitive edge did not lie in subsidies or protection, but in structural adjustment.

6. In the light of those developments, the General Assembly might wish to consider whether it was in fact an appropriate time to convene an international conference on development financing.

7. Mr. Guerrero (Philippines), Vice-Chairman, took the Chair.

General discussion

8. Mr. KHALIQ-UZ-ZAMAN (Pakistan), speaking on behalf of the Group of 77, recalled that it was the Secretary-General who had suggested to the Economic and Social Council the convening of an international conference on development financing. The General Assembly had subsequently adopted resolution 46/205, requesting him to submit a report on the question, prepared in close consultation with the multilateral financial institutions.

9. Development financing was an important issue which had been dealt with in numerous documents and discussed in various forums. There was none the less a need to explore the possibility of convening an international conference thereon, because such a meeting could bring under one umbrella issues that had so far been dealt with piecemeal. Furthermore, the conference should consider the issue of finance in its broadest sense, including the question of macroeconomic surveillance.

10. Convening such a conference was of particular importance in the current context; the sharp contraction in external commercial flows and the stagnation in official development assistance (ODA), which was a long way from the agreed target level of 0.7 per cent of GNP, had had a major adverse impact on the prospects of the developing countries, which were confronting serious financial problems. There must be an increase in capital flows to developing countries in order to reverse the negative transfer of resources.

11. It was equally important to provide additional resources on favourable terms to low-income countries, and in that context it was necessary to increase in real terms the resources available under the tenth replenishment of the International Development Association (IDA). It was also essential to

(Mr. Khaliq-Uz-Zaman, Pakistan)

reduce the developing countries' debt-servicing burden. Finally, there should be significant improvement in the flow of finance for development from major sources, such as official bilateral assistance, lending by commercial banks, direct private investment and assistance from the multilateral financial institutions, without which it would be virtually impossible for the developing countries to increase their rate of growth. That called for a firm commitment on the part of the international community to augment the level of development finance.

12. It was against that backdrop that consideration by the General Assembly of the question of convening an international conference on the financing of development had assumed great importance. Such a conference could lead to the development of a coherent strategy to initiate the requisite deployment of resources in developing countries and to strengthen international financial cooperation for development.

13. Mr. BARDAD-DAIDJ (Algeria) was gratified that the question of convening an international conference on development financing was on the agenda of the forty-seventh session of the General Assembly, as it would make it possible to consider in greater detail the vital issue of the financial resources necessary for world economic recovery. Consideration of that issue came at a time when unexpected changes in international relations presented new opportunities for establishing true multilateral cooperation. The imbalance between the financial resources necessary for development and the total resources available for development had reached unprecedented proportions during the 1980s - a period that had witnessed the new phenomenon of negative tranfers of resources for the purpose of debt service. Those transfers had resulted in excessive drains on the resources of developing countries which had been made ten times worse by a sharp decline in bank loans and a fall in export earnings.

14. Of course, recently that trend had been reversed and, for the first time since 1980, a net inflow of capital to the developing countries on the order of $24 billion was recorded. However, while the new situation had permitted a small number of countries to replenish their reserves, it had had virtually no impact on the developing world as a whole because of continuing deterioration of the terms of trade.

15. In the case of Africa, the increase noted in new resource flows ($7 billion in 1991) was a reflection of the effect of cancelling a portion of the debt rather than real access to sources of external financing. It was therefore necessary to stress the incidental nature of the aforementioned bright spot and the prevailing uncertainty as to its durability. Moreover, the question of development financing remained to be addressed. Indeed, loans granted under debt restructuring and rephasing agreements had not played the catalytic role of encouraging new loans for development and remained the largest component of financial flows, as voluntary loans were still a marginal phenomenon. That point was reinforced by the report of the Secretary-General

(Mr. Bardad-Daidj, Algeria)

on the evolution of the debt strategy, which emphasized that debt reductions of some developing countries had still not produced an effect in terms of new capital contributions.

16. In addition, direct foreign investments remained, on the whole, weak. While the figure for such investments in developing countries had increased - reaching $32 billion, or 17 per cent of total direct foreign investments throughout the world - it remained below what it had been 10 years earlier. For its part, Africa had received only 7 per cent (or $2.2 billion) of the total direct foreign investments in developing countries, an amount half of what it had been in 1989.

17. There had been general stagnation in official development assistance (ODA) which remained insufficient given the enormity of the tasks of development. Increasing ODA so as to reach the target of 0.7 per cent of the GNP of the developed countries was therefore an urgent matter and the tenth replenishment of the International Development Association (IDA) would play a key role in that regard.

18. For Africa, a substantial increase in loans granted on concessional terms was of vital importance; the United Nations had estimated its need for financing to be $30 billion for 1992 alone. That amount should be increased by 4 per cent per year until the end of the decade in order for Africa to reach an economic growth rate of 6 per cent, which was an extremely modest goal.

19. The experience of the 1980s had demonstrated that commercial banks should not be the principal source of development financing. It was therefore time for the international community to envisage concrete steps to mobilize financial flows in support of development and to improve developing countries' access to financial markets. The multilateral financial institutions should be provided with larger means, as they had an important role to play in mobilizing resources. In that context, increasing IMF quotas, and the recently revived proposal to tie the renewal of Special Drawing Rights (SDR) to development financing deserved consideration in that context.

20. The confusion which had appeared in Europe could not but affect the flow of resources traditionally allocated to developing countries. The needs of the former socialist countries were, of course, legitimate, but it was imperative to make sure that steering financial flows into those countries as a result of the changes would not operate to the disadvantage of countries who had benefited from them previously. The magnitude of financing needed for the transition of the central and eastern countries of Europe, for reviving the world economy and for protecting the environment was a measure of the task awaiting the international community with respect to the mobilization and rationalization of resources. It was essential to bring financial resources up to a level commensurate with the needs of development and to make financial flows more stable and more predictable. Steps taken in that direction should be part of a comprehensive effort to ensure fairer participation of developing

(Mr. Bardad-Daidj, Algeria)

countries in the expansion of world trade, as expected from the Uruguay Round and the setting of more remunerative commodity prices.

21. The convening by the forty-seventh session of the General Assembly of an international conference on development financing would be a starting-point for a real strategy aimed at redeploying growth financing and would be an important step towards achieving those goals.

22. Mr. EHLERS (Uruguay) said that while the question of development financing had been considered on a case-by-case basis, particularly at the level of multilateral financial institutions, it had not been debated in a comprehensive and coherent manner, and to date there had been no international consensus regarding the modalities of inter-State cooperation and action to ensure that the allocation of available resources could contribute to balanced and fair development for all countries.

23. Present conditions, as described by the Secretary-General in his report on the issue, hardly inspired optimism. While the flows of resources towards developing countries had grown slightly in real terms in 1991, they still remained much smaller than they had been at the beginning of the 1980s.

24. In examining the trend of the situation with regard to development financing over the past 10 years, he emphasized that the flows of private capital had diminished considerably: loans made by private banks had fallen from $75 billion in 1982 to $9 billion in 1991. Direct foreign investment had grown from $19 billion to $24 billion. Those investments were concentrated on a very small number of countries and were characterized by a high level of instability, as they had been channelled into securities as opposed to investments in production. ODA had practically stagnated in real terms (at a level of approximately 0.34 per cent of GNP despite commitments to meet ODA targets). In addition, the vast majority of developing countries continued to transfer more resources towards developed countries than they received. Despite the progress made in managing the debt crisis, the problem was far from being solved and continued to be an important obstacle to the recovery of developing countries, for which the debt burden was enormous, representing, on average, more than 275 per cent of exports and more than 50 per cent of GNP. For its part, debt service amounted to more than 30 per cent of annual exports and debt interest itself was more than 20 per cent of exports.

25. As the report of the Secretary-General showed, developing countries had to rely on domestic savings in order to achieve progress and to pay off their external debt. The developing countries had made considerable efforts in that area, in particular by reducing their budget deficits, maintaining a macroeconomic balance, creating capital markets and abolishing domestic regulations. A favourable international environment was necessary, however, if they were to achieve adequate growth.

(Mr. Ehlers, Uruguay)

26. The only real source of development financing resources were production and trade. The developed countries should stimulate the international economy by opening up their markets and by guaranteeing a non-inflationary international environment with low interest rates.

27. An international conference such as was being proposed therefore deserved priority attention because it would help to focus discussion on all international development activities. The conference should consider all existing financial sources - bilateral and multilateral assistance, commercial banks, direct foreign investment and ODA. One of its priority objectives should be to ensure that the developing countries benefited from positive financing flows from all those sources. Another objective should be to seek better utilization of available resources. The conference should also make it possible to envisage a major replenishment of the resources of the multilateral institutions, and should give due consideration to the position of the least developed countries.

28. Other questions that deserved attention were military expenditures, which totalled $700 billion a year, and agricultural subsidies which exceeded $300 billion a year, whereas only $80 billion a year would be needed for Latin America to recover its growth levels of the 1960s.

29. It was to be regretted that the Secretary-General's report failed to include the results of his consultations with the multilateral financial institutions on the subject of the proposed meeting. If there were reasons for not holding the conference, or if any other organizations were against convening it, that should have been stated.

30. In any event, even if the international community decided that to hold a conference on the financing of development was not opportune, the issue still remained of capital importance and would have to be dealt with in the context of international cooperation for economic development. The Trade and Development Board of UNCTAD should consider it in the light of the work of the eighth session of UNCTAD. Account should also be taken of the conclusions of the Development Committee of the World Bank and IMF. Only through a comprehensive and integrated analysis of the available resources, means of obtaining them and their rational utilization would the international community be able to achieve the goals it had set itself on numerous occasions.

31. Mr. WIBISONO (Indonesia) said that the advent of the 1990s and the ending of the cold war had brought hopes of increased financial flows for development as a "peace dividend"; in particular, a fresh consensus on multilateral cooperation for development had emerged in several forums, including the eighteenth special session of the General Assembly, the eighth session of UNCTAD and UNCED. Those hopes had, however, been dashed by the Gulf war, the global economic recession and the transition process in Eastern Europe. The combined impact of those events and of competing claims on resources had led to sharp contractions in external flows for development and to stagnation in ODA. More ominous still was the phenomenon of net transfer of resources from

(Mr. Wibisono, Indonesia)

developing countries to developing countries and international institutions, which between 1985 and 1989 had amounted to almost $1,000 billion. A collective effort was needed in order to redress those failures of the international financial system, and the convening of an international conference on the financing of development would contribute towards achieving that goal.

32. In his report on the subject (A/47/575), the Secretary-General analysed the failure of the world financial system to provide adequate resources for development. The policy measures he suggested in response to the problem were to be welcomed. The strengthening of official sources of external financing to stimulate investment was a step in the right direction. It was important, therefore, that States Members should seek to meet their internationally agreed ODA commitments of 0.7 per cent of their GNP.

33. Without a supportive external environment, the best-laid plans and strategies of the developing countries were doomed to failure. The developed countries should therefore reduce interest rates in order to promote non-inflationary growth, and should take steps to resolve the problem of indebtedness which was draining the developing countries of essential resources. A comprehensive and durable solution that would ensure a reduction in the stock and service of debt had to be found.

34. Another set of policy measures would include the redeployment of public resources in developed countries, in particular through cut-backs in military spending and the channelling of resources thus released towards development projects. Increasing the resources of multilateral financial institutions would also strengthen official sources of external financing. In that regard, it was necessary to increase the resources available under the tenth replenishment of the International Development Association, as well as those of the regional banks, the World Bank and the International Monetary Fund.

35. All those considerations could usefully be discussed at the proposed conference on development financing. The international community should make a concerted effort to devise a strategy to strengthen international financial cooperation for development and to mobilize the necessary resources.

36. At their recent summit meeting held in Jakarta, the Heads of State or Government of the Non-Aligned Movement, realizing the importance and urgency of development financing, had endorsed the idea of convening such a conference and had expressed the hope that the General Assembly at its current session would adopt a positive decision on the matter.

37. Mr. DUGAN (United States of America) stressed the growing importance of the geo-economic issues considered in the report of the Secretary-General (A/47/575). Their solution would require the same rational approach on the part of States Members of the United Nations as the approach they had adopted in connection with disarmament.

(Mr. Dugan, United States)

38. Contrary to the impression given in the report, the volume of ODA furnished by the United States over the previous two years had increased and his country still remained the principal donor in that field. According to preliminary statistics of the OECD Committee on Development Aid, the amount of ODA for 1991 had reached $11.5 billion. Moreover, cancellation of the debt of developing countries was also a form of development assistance. Estimates showed that ODA accounted for only 5 per cent of resources used for development financing.

39. Development resource flows were already under close scrutiny in several competent forums, such as the Development Committee of the World Bank and IMF, which had recently completed an analysis of the issue. In May 1993, that Committee was to consider means of increasing private sector flows to developing countries. Furthermore, an appraisal of the implementation of development financing agreements and strategies was being undertaken within the United Nations system itself. His delegation therefore did not consider that convening the proposed conference would constitute a constructive approach.

40. He welcomed the fact that the report took note of his Government's recent decision to increase its contribution to the International Monetary Fund, a step which would allow an increase in Fund lending.

41. Mr. SERSALE DI CERISANO (Argentina) welcomed the excellent report of the Secretary-General (A/47/575), which covered all the variables to be taken into account concerning development financing. Clearly, there were two areas which lent themselves to a redistribution of public resources in the industrialized countries, namely military expenditure and farming subsidies. The latter, in particular, had increased by 5 per cent and represented a sizeable sum which could otherwise be allocated to investment.

42. The report also analysed the question of a world savings shortage. It could be argued that there was no longer any shortage, for, if there were, interest rates would have been raised. If there were, indeed, surplus savings, he wondered what had happened to them, as they had not been used to fuel investment. The United Nations organizations should therefore consider and thoroughly analyse the matter.

43. Concerning the convening of an international conference on the financing of development, his delegation would be flexible. None the less, the question should continue to be studied jointly by the General Assembly, the International Monetary Fund (IMF), the World Bank and UNCTAD. It could, he believed, form the subject of a sub-item on the agenda under the item entitled "International cooperation for economic growth and development".

44. In that regard, he was surprised that, notwithstanding the request made by the General Assembly in resolution 46/205, the Secretary-General's report (A/47/575) made no mention of the convening of the conference. It seemed to imply that the main source of financing for development should be domestic

(Mr. Sersale Di Cerisano, Argentina)

savings in the developing countries; the latter had always allocated such savings to investment. It could not, however, be claimed that those savings would be sufficient to finance development in its entirety. Perhaps the conclusion to be drawn from the Secretary-General's report was that there was no point in convening a conference on that issue. His delegation would be submitting a draft resolution on the overall issue.

45. Mr. JARAMILLO (Colombia) stated that the failure of the developed countries to adopt policies designed to stimulate growth was affecting not only those countries but also the developing countries. The latter, realizing that the solution to their problems depended on structural adjustment, had introduced wide-ranging reforms, but those reforms had not been wholly successful owing to the position adopted by the industrialized countries.

46. Whereas the developing countries had liberalized trade and opened their markets wide to foreign products, the developed countries, on the other hand, were adopting increasingly protectionist measures. Commodity prices, on which the developing countries relied for their foreign currency earnings, had dropped so steeply that the purchasing power of exports was now half what it had been in the early 1980s. That affected the debt repayment and also jeopardized the positive growth recently noted in the net transfer of resources. In that connection, it should be noted that recent capital transfers to Latin American and Caribbean countries were the result of speculation, and as such, they were likely to be reversed as soon as interest rates were raised on the international financial markets.

47. The reduced access to the market of the industrialized countries was compounded by high farming subsidies which contributed to the worsening terms of trade. Elimination of the subsidies would help to get the Uruguay Round negotiations going again and would release considerable resources which could be used for development financing, at a time when official development assistance remained at only 0.34 per cent of the gross national product of the developed countries, or even as low as 0.2 per cent in the case of some of the most highly industrialized countries.

48. Furthermore, it was essential that the privatization process world wide should not produce new imbalances which would only widen the existing gaps. Although the efforts being made to help countries whose economy was in transition were being followed with interest, those efforts should not be made at the expense of the developing countries. New and additional means of financing development should therefore be found.

49. While it was true that some of the fears aroused by the first proposals, in 1991, for the convening of an international conference on the financing of development had failed to materialize, it should nevertheless be borne in mind that the purpose of such a conference was not to find ways of overcoming the effects of the recession, but rather to identify stable and permanent mechanisms which would enable the developing countries to face the structural

(Mr. Jaramillo, Colombia)

problems of growth. The mobilization of resources for development could not be left to market forces, as the problem was, in part, a political one. United Nations bodies were a preferred forum for dialogue, particularly with the multilateral finance institutions. His delegation would therefore continue to advocate the convening of the conference.

50. Mr. MA Zhaoxu (China) welcomed the fact that the issue had been included on the agenda of the Second Committee, as development financing was of crucial importance for economic growth in the developing countries. The recent political and economic upheavals had produced enormous changes in the supply-demand relationship with respect to global resources. New demands had surfaced, bringing with them a shortage of savings and a lack of development resources. The sluggish growth rate of the world economy and trade, plus the persistently high real interest rate, had made the shortage of resources even more acute.

51. The Chinese Government had always supported the convening of a conference on the financing of development. In light of the current situation, it believed that such a meeting was indeed warranted, since a solution to the problem of financial resources for development would help to promote international cooperation in all areas. The conference would in no way prejudice ongoing follow-up activities to the Rio Conference nor the preparatory work for other conferences. On the contrary, it would complement them. A general conference on development financing would facilitate the formulation of principles and guidelines in all areas and provide an overall understanding of needs, while global and regional activities in specific areas, such as the eradication of poverty, would allow scope for the implementation of those principles.

52. The proposal to convene the conference had been made in 1991 at the summer session of the Economic and Social Council by the former Secretary-General and the Group of 77 had subsequently submitted a draft resolution on the issue at the forty-sixth session of the General Assembly. However, although the majority of countries supported the idea, no substantial progress had been made in that direction.

53. Pursuant to General Assembly resolution 46/205, the Secretary-General had held wide-ranging consultations with various multilateral financial institutions, and he deserved to be congratulated, as the active participation of the World Bank and IMF would contribute greatly to the success of the conference. He hoped that those contacts would be followed up and lead to concrete proposals, and that the parties concerned, particularly the developed countries, would display their political will by adopting a constructive attitude during the consultations to be held on the issue at the current session. China, for its part, had resolved to take an active part.

54. Mr. Piriz-Ballon (Uruguay) resumed the Chair.

55. Mr. SINGH (India) recalled that the debate in the Second Committee, the agreements reached at the Rio Conference, the decisions of the eighth session of UNCTAD and the deliberations in the Development Committee, which were the heart of development-related discussions, had all focused on the overriding issue of the financing of development. The latest and most comprehensive sustainable development agenda had been spelt out in Agenda 21, each chapter of which dealt with the issue of providing new and additional resources to developing countries. The Framework Convention on Climate Change went a step further and made implementation of the Convention by the developing countries contingent on the provision of technology and finances by the developed countries. The reason for convening an international conference on the financing of development was not because those issues had not been discussed elsewhere, nor was it to convince developed countries to enhance their efforts. In the view of his delegation, the main reason was to place under one umbrella issues which had been tackled in a piecemeal manner in different conferences, organs, bodies and programmes.

56. He noted that preparation of the Secretary-General's report on the question had been delayed, specifically because consultations with the multilateral financial institutions had been delayed inordinately, thus preventing delegations from giving detailed consideration to the document. In his view, the report itself dwelt too much on explanations of the historical circumstances in which the proposal had been made and on the fact that, given the changed situation, the arguments which had been valid two years earlier were undoubtedly no longer as important.

57. Noting the growing complexity of the economy, he pointed out that the revolution in information technology, changes in the production, marketing and distribution of goods, and the increasing complexity of the international capital and currency markets handicapped and marginalized the developing countries hoping to participate in that process. Those countries were the victims of economic forces which profoundly influenced them, but which were beyond their control. The volatility of exchange rates further increased the unpredictability of the international economic environment. It was more important than ever to strengthen the coordination of monetary policies. It had been argued that such coordination could satisfactorily be effected through existing mechanisms and forums but the inadequacy of existing arrangements had been highlighted, in particular, by the recent currency upheavals in Europe. The proposed conference could therefore consider the issue of financing in its broadest sense, to include the question of macroeconomic surveillance.

58. If a balance sheet were to be drawn up of resource requirements for the realization of the targets and strategies adopted by the United Nations, using estimates prepared by the secretariat of the United Nations Conference on Environment and Development, including the amounts required for poverty alleviation, the figure for annual transfers of concessional and grant resources could be as high as US$ 200 billion, plus an additional amount for domestic resources mobilization, which would remain one of the primary sources for the financing of development.

(Mr. Singh, India)

59. Those issues had been dealt with in a piecemeal fashion during the various conferences and meetings. A general conference focusing on ways of implementing such financing and examining the broader question of macroeconomic surveillance would, however, be an important step towards realizing the ambitious goals set by the international community.

60. That idea required further detailed consideration. Such a decision could not be forced on the international community: instead, a consensus should be reached, based upon an understanding of the interdependence of nations. The developing countries, which hoped to see an increase in grant or concessionary resources, were not seeking charity; the granting of such assistance was in fact mutually advantageous and led to a better understanding of the externalities which were the starting-point for cooperation. By helping the developing countries, the industrialized world would, in fact, be helping itself.

61. Mr. OSSA (Director, Development Policy and Analysis Division, Department of Economic and Social Development), answering points raised during the debate, said that the annex to the Secretary-General's report (A/47/575) summarized the views of multilateral financial institutions. He agreed with the representative of the United States that debt cancellation should be counted as official development assistance (ODA). Finally, he said that the Secretariat would take due account of all the views expressed by delegations.

62. The CHAIRMAN said that the Committee had concluded its consideration of agenda item 86.

AGENDA ITEM 82: EXTERNAL DEBT CRISIS AND DEVELOPMENT (continued)

Draft resolution A/C.2/47/L.16

63. Mr. ZAMAN (Pakistan), speaking on behalf of the Group of 77, introduced the draft resolution on enhanced international cooperation towards a durable solution to the external debt crisis of developing countries (A/C.2/47/L.16). He noted that the external debt crisis remained a serious obstacle to efforts to revitalize economic growth and development, to promote investments and to eliminate poverty. The measures adopted thus far demonstrated how fragmented the actions of the international community had become. The draft resolution proposed, inter alia, urging the international community to consider wider application of innovative measures such as debt-for-equity swaps, debt swaps for the protection of nature and debt-for-development swaps. He hoped that it would be unanimously supported.

AGENDA ITEM 85: INDUSTRIAL DEVELOPMENT COOPERATION AND THE DIVERSIFICATION AND MODERNIZATION OF PRODUCTIVE ACTIVITIES IN DEVELOPING COUNTRIES (continued)

Draft resolution A/C.2/47/L.14

64. Mr. ZAMAN (Pakistan), speaking on behalf of the Group of 77, introduced the draft resolution on industrial development cooperation (A/C.2/47/L.14) and stressed that the issue was one of crucial importance for the developing countries. Underlining the negative impact of the debt crisis and restrictive policies, he reiterated the importance of international cooperation in that area and said that the draft resolution urged the international community, including the United Nations system, to support industrial development programmes and projects, especially in developing countries. He hoped that it would receive the support of all members.

AGENDA ITEM 87: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)

(b) SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE (continued)

Draft resolution A/C.2/47/L.15

65. Mr. OULD EL GHAOUTH (Mauritania), speaking on behalf of the African States, introduced draft resolution A/C.2/47/L.15 on assistance for the rehabilitation and reconstruction of Liberia, pointed out that in the English version, the phrase "Economic and Social Commission of Western Asia" in the last preambular paragraph should read "Economic Community of West African States (ECOWAS)". In addition, the word "and" in the third line of paragraph 1 in the English version, should be replaced by the words "as well as appeals by". He appealed to the international community and to intergovernmental and non-governmental organizations to continue to provide emergency assistance to Liberia and to support the programmes and projects identified in the Secretary-General's report (A/47/528) and expressed the hope that the Committee would adopt the draft resolution by consensus.

ORGANIZATION OF WORK

66. The CHAIRMAN said that the open-ended ad hoc working group of the Plenary on agenda item 47 (Restructuring and revitalization of the United Nations in the economic, social and related fields) was holding consultations in parallel with the work of the Second Committee. The ad hoc working group was primarily called upon to review the complementarity of the agendas of the Second and Third Committees and of the Economic and Social Council. He suggested with reference to negotiations on draft resolutions by the two Committees, that provisions concerning the inclusion of items on the agenda or relating to reports to be submitted at future sessions should be placed within square brackets, with a view to avoiding any duplication of or conflict between items on the agendas of the Second and Third Committees and of the Economic and Social Council. The Chairman of the Third Committee had endorsed that proposal.

(The Chairman)

67. He further suggested that consideration of agenda item 89 (a), on the United Nations Institute for Training and Research (UNITAR), which had already been deferred at the request of the United Kingdom (speaking on behalf of the European Community and supported by Pakistan, speaking on behalf of the Group of 77) because of the delay in the publication of the relevant documents, should be postponed to Tuesday, 17 November 1992.

68. It was so decided.

The meeting rose at 12.35 p.m.